

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P. O. BOX 942850
Sacramento, CA 94250-5878

DATE: October 23, 2006

PAYROLL LETTER #06-023
Civil Service Only

TO: All Agencies in the Uniform State Payroll System

FROM: DON SCHEPPMANN, Chief
Personnel/Payroll Services Division

RE: **RANK AND FILE BARGAINING UNIT 10 BONUS PAY**

Pursuant to the recently negotiated agreement and as authorized by the Department of Personnel Administration (DPA), the State Controller's Office will issue the one-time \$1000 bonus pay to eligible rank and file employees in bargaining unit 10. See the DPA Pay Letter 06-37 and Bonus Pay Differential 330 for further information including the eligibility criteria.

The bonus pay for the majority of the employees was issued in the October 20, 2006 payroll cycle (issue dated 10/23/06). For employees on direct deposit, their bonus payment could be posted to their account starting October 24, 2006 through October 26, 2006 depending upon the employee's financial institution.

Eligible employees in the following status will be issued their bonus pay in a later payroll cycle.

- Intermittent time base

- Temporary separated

- Multiple positions

- Employment history action processed in July 2006 through October 17, 2006 that could affect the employee's eligibility (e.g., time base or tenure changes)

It is anticipated that the bonus pay for the above employees will be made by Friday, October 27, 2006.

The bonus pay can be identified as Payment Type G, Payment Type Suffix D on the various payroll outputs/records and issued with the 08/2006 pay period. Per the Bonus Pay Differential 330 criteria, the employee's employment status as of August 16, 2006 is to be used to determine if an employee is eligible for the bonus pay. Accordingly, the position number as of the employee's August 16, 2006 employment status will be reflected on the bonus payments. For employees with multiple eligible positions, the position number with the greatest time base will be used for the bonus pay. If the time bases for all eligible positions are equal, the bonus pay will then be issued under the position number with the lowest position sequence number.

The bonus pay is taxable income to the employee. The following taxes could be withheld depending upon the employee's tax status: federal income tax, state income tax, social security tax, and medicare tax. The aggregate tax withholding method will be used to compute the federal and state income tax amounts. The bonus pay is not subject to retirement withholdings and not to be included in the

calculation of an employee's overtime, disability, and lump sum pay rates (see Bonus Pay Differential 330).

If an eligible employee has not received her/his bonus pay by November 27, 2006, submit a Form STD. 674, Payroll Adjustment Notice. Complete the Form STD. 674 as outlined in PPM Section G 105. Note, enter GD as the Earnings ID in Item 6B of the Form STD. 674.

Please direct questions on the bonus pay eligibility criteria to the department's DPA CCD analyst. Questions regarding the bonus payment process can be directed to PPSD's Payroll Liaison Unit at (916) 323-3081.

DS:LMS:PMAB